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Senate

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou in whose will is our peace, our spirits are made solemn by the vastness of the vistas revealed through the clear windows of prayer.

Grant us such a vision of the amazing sweep of Thy purposes for all Thy children that we may be delivered from the stings of irritating trifles and be less agitated by the little annoyances which daily pressures bring.

Amid all life's changing scenes, may our ordered lives know the blessed fulfillment of Thy promise—"I will keep that man in perfect peace whose mind is stayed on Me."

In a day when all the most precious values are imperiled by powers of darkness, arouse and stir us from our selfish love of comfort. Drive us, we beseech Thee, by the compulsion of these volcanic times, from our too easy nests. Give us open eyes to see the momentous facts of our generation, and undergird us with courage to meet them, and dedicated intelligence to handle them.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 6, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 961) fixing the representation of the majority and minority membership of the Joint Economic Committee.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction

of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

CORRECTION OF THE RECORD

Mr. MORSE. Mr. President, as appears in the Record for Friday, February 6, 1959, at page 1804, I made the following remarks:

This morning, Mr. Daniel Loomis, the very able president of the Association of American Railroads, asked me if I would again, by request, introduce the bill proposed by the Association of American Railroads, to be accompanied by a statement in explanation of the bill submitted by Mr. Loomis as president of the Association of American Railroads.

As chairman of the Railroad Retirement Subcommittee of the Committee on Labor and Public Welfare, I am delighted to introduce this bill at the request of the association, and I assure the association that its introduction is no pro forma matter with me.

I send the bill to the desk and ask that it be appropriately referred and printed in the Record at this point as a part of my remarks, together with the statement of explanation submitted by Mr. Loomis.

However, on page 1807, when the statement by Mr. Loomis was reprinted, it was printed under the following introduction:

The statement presented by Mr. MORSE is as follows:

I have had three calls this morning asking if this statement presents my views. They were calls from persons who apparently had not read the preceding part of my introduction of the bill. Therefore, in order that no wrong will be done to Mr. Loomis by my being given credit for a statement I did not make, I ask that the following correction be made in the final printing of the Record and that the statement read as follows:

The statement presented by Mr. MORSE in behalf of Mr. Loomis, president of the Association of American Railroads, is as follows:

The VICE PRESIDENT. The correction will be made.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Juvenile Delinquency Subcommittee of the Committee on the Judiciary was authorized to hold hearings in New York City during the sessions of the Senate on February 12 and 13.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the calendar will be stated.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

APPOINTMENTS BY THE VICE
PRESIDENTNATIONAL OUTDOOR RECREATION RESOURCES
REVIEW COMMITTEE

The VICE PRESIDENT. The Chair announces the appointment of Mr. DWORSHAK and Mr. MARTIN as members on the part of the Senate of the National Outdoor Recreation Resources Review Committee, created by Public Law 470, 85th Congress, to fill the vacancies occasioned by the retirement respectively, of former Senators WATKINS, of Utah, and BARRETT, of Wyoming.

JOINT COMMITTEE ON CONSTRUCTION OF A BUILDING FOR MUSEUM OF HISTORY AND TECHNOLOGY FOR THE SMITHSONIAN INSTITUTION

The Chair announces the appointment of Mr. CARLSON and Mr. BENNETT as members on the part of the Senate of the Joint Committee on Construction of a Building for Museum of History and Technology for the Smithsonian Institution, pursuant to Public Law 166, 84th Congress, to fill the vacancies occasioned by the retirement, of former Senators SMITH of New Jersey, and MARTIN of Pennsylvania, respectively, from the Senate.

CORREGIDOR-BATAAN MEMORIAL COMMISSION

The Chair announces the appointment of Mr. SPARKMAN, of Alabama, and Mr. SCOTT as members on the part of the Senate of the Corregidor-Bataan Memorial Commission, created by Public Law 193, 83d Congress, to fill the vacancies occasioned by the resignations of Mr. DOUGLAS, of Illinois and Mr. GOLDWATER, of Arizona, respectively.

EXECUTIVE COMMUNICATIONS
ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF CAREER COMPENSATION ACT OF 1949, RELATING TO RESIDENCY REQUIREMENT OF DEPENDENT PARENTS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend the Career Compensation Act of 1949 with respect to the residency requirement of dependent parents and with respect to quarters allowance payable when both husband and wife are members of the uniformed services (with an accompanying paper); to the Committee on Armed Services.

REPORT OF ADMINISTRATOR OF VETERANS' AFFAIRS

A letter from the Administrator, Veterans Administration, Washington, D.C., transmitting, pursuant to law, a report of the activities of the Veterans' Administration, as of June 30, 1958 (with an accompanying report); to the Committee on Finance.

REPORT ON DISPOSITION OF FOREIGN EXCESS PERSONAL PROPERTY BY DEPARTMENT OF DEFENSE

A letter from the Assistant Secretary of Defense, transmitting, pursuant to law, the annual report of that Department relative to disposition of foreign excess personal property located in areas outside the continental United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, for the fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

ADDITION OF CERTAIN LANDS IN NEVADA TO SUMMIT LAKE INDIAN RESERVATION

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to add certain public domain lands in Nevada to the Summit Lake Indian Reservation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT OF SECTION 4161 OF TITLE 18, UNITED STATES CODE, RELATING TO COMPUTATION OF GOOD TIME ALLOWANCES FOR PRISONERS

A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners (with an accompanying paper); to the Committee on the Judiciary.

GRANTING ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 1003. A bill to authorize the Attorney General to compel the production of documentary material required in civil investigations for the enforcement of the antitrust laws, and for other purposes;

S. 1004. A bill to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may be substantially to lessen competition, or to tend to create a monopoly; and

S. 1005. A bill to amend the Clayton Act, as amended, by requiring prior notification of corporate mergers and acquisitions, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bills, which appear under a separate heading.)

By Mr. HOLLAND:

S. 1006. A bill for the relief of the Simpson Construction Co.; and

S. 1007. A bill for the relief of George P. Nelson; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 1008. A bill to promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a public affairs officer corps; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself, Mr. HUMPHREY, Mr. MORSE, Mr. BIBLE, Mr. RANDOLPH, Mr. JAVITS, Mr. JACKSON, and Mr. YARBOROUGH):

S. 1009. A bill to amend the Internal Revenue Code of 1954 so as to encourage the establishment of voluntary retirement plans by individuals; to the Committee on Finance.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself, Mr. HUMPHREY, Mr. SMATHERS, Mr. MORSE, Mr. BIBLE, Mr. JAVITS, Mr. JACKSON, and Mr. YARBOROUGH):

S. 1010. A bill to amend the Internal Revenue Code of 1954 so as to permit the use of

the new methods and rates of depreciation for used property; to the Committee on Finance.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself, Mr. HUMPHREY, Mr. MORSE, Mr. BIBLE, Mr. JACKSON, and Mr. YARBOROUGH):

S. 1011. A bill to designate judicial precedents which shall be binding in the administration and enforcement of the internal revenue laws; to the Committee on Finance.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 1012. A bill for the relief of Belle Kligerman; to the Committee on the Judiciary.

By Mr. WILLIAMS of Delaware:

S. 1013. A bill to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILLIAMS of Delaware when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 1014. A bill for the relief of Pietro Corlo Costa; to the Committee on the Judiciary.

By Mr. ERVIN:

S. 1015. A bill for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C.; to the Committee on the Judiciary.

By Mr. MORTON (for Mr. SALTONSTALL and Mr. PROUTY):

S. 1016. A bill to authorize a 5-year program of assistance to school districts in meeting the debt service on loans for construction of urgently needed elementary or secondary public school facilities, and for other purposes; and

S. 1017. A bill to assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORTON when he introduced the above bills, which appear under a separate heading.)

By Mr. STENNIS:

S. 1018. A bill to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. STENNIS when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIER (for himself, Mr. YOUNG of Ohio, Mr. MOSS, Mr. HUMPHREY, Mr. MAGNUSON, Mr. WILEY, Mr. MCCARTHY, Mr. JAVITS, Mr. NEUBERGER, and Mr. HART):

S. 1019. A bill to extend the Farmers Home Administration operating loan program to bona fide fur farmers, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. PROXMIER when he introduced the above bill, which appear under a separate heading.)

By Mr. MANSFIELD (for Mr. KENNEDY):

S. 1020. A bill for the relief of Stelios Katakis; to the Committee on the Judiciary.

PRODUCTION OF DOCUMENTARY MATERIAL ACQUISITION OF ASSETS OF OTHER BANKS BY BANKS, AND PRIOR NOTIFICATION OF CORPORATE MERGERS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, three-

which consist of undeveloped or partially developed mineral, mining, or timberland properties, or (11) the whole or any part of such undeveloped or partially developed mineral, mining, or timberland properties;

"(8) Any acquisition by any corporation from the Government of the United States, or from the government of any State, Territory, or insular possession thereof, or from any political subdivision or public agency or instrumentality of one or more of any of the foregoing;

"(9) Acquisition, solely for the purpose of investment, of assets, other than voting stock or other voting share capital, by any bank, banking association, trust company, or insurance company, in the ordinary course of its business; acquisition by any bank, banking association, or trust company of the assets of another bank, banking association, or trust company;

"(10) Acquisition of stock, other share capital, or assets of any corporation, if the acquiring corporation, prior to such acquisition, owned, directly or indirectly, more than 50 per centum of the outstanding voting stock of the corporation whose stock, other share capital, or assets are acquired, or if more than 50 per centum of the outstanding voting stock of the acquiring corporation is owned, directly or indirectly, by a corporation which, prior to such acquisition, owned, directly or indirectly, more than 50 per centum of the outstanding voting stock of the corporation whose stock, other share capital, or assets are acquired, or if more than 50 per centum of the outstanding voting stock of the acquiring corporation is owned, directly or indirectly, by the corporation from which the stock, other share capital, or assets are acquired;

"(11) Any acquisition of stock, other share capital, or assets, solely for the purpose of investment, by any corporation engaged wholly in religious, educational, or charitable activities;

"(12) Any acquisition of stock, other share capital, or assets, solely for the purpose of investment, by any corporation engaged wholly in religious, educational, or charitable activities;

"(13) Any acquisition of stock, other share capital, or assets by any corporation in connection with financing, refinancing, borrowing, or underwriting transactions where title to such stock, other share capital, or assets is acquired solely for collateral, underwriting, or security purposes;

"(14) Any acquisition of stock, other share capital, or assets of any foreign corporation unless such foreign corporation: (1) transacts business in the United States, its Territories, or possessions, and has a permanent establishment in the United States, its Territories, or possessions; or (2) has a stock or other share interest in a corporation which transacts business in the United States, its Territories, or possessions;

"(15) Any acquisition of stock or assets which, under any specific provision of law, requires the approval in advance of a commission or board or other agency of the United States, and when so approved is exempt under any specific provision of law from the provisions of this section: *Provided, however,* That any commission, board, or agency of the United States which is authorized by law to approve the acquisition by one corporation of the stock or assets of another corporation where by virtue of such approval such acquisition is exempted from the provisions of this section shall promptly notify the Attorney General of any application or request for such approval.

"Except for the provisions of the second paragraph of this section, the section shall not apply to corporations purchasing stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything

contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not substantially to lessen competition."

SEC. 2. The second paragraph of said section 7 as herein amended shall take effect one hundred and twenty days after enactment of this Act. The procedures for the waiver by the appropriate commission or board and the Attorney General of all or part of the waiting requirements in appropriate cases and categories of cases required by the second paragraph of said section 7, as herein amended, shall be established within one hundred and twenty days after enactment of this Act.

SEC. 3. Nothing contained in the first paragraph of said section 7 as herein amended shall be held to affect or impair any right heretofore legally acquired: *Provided,* That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

PUBLIC AFFAIRS OFFICER CORPS, U.S. INFORMATION AGENCY

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a Public Affairs Officer Corps. This bill was submitted to the Vice President by letter on February 2, 1959.

The proposed legislation has been requested by the Director of the U.S. Information Agency, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed at this point in the RECORD, together with the letter from the Director of the U.S. Information Agency to the Vice President and an explanation prepared by that Agency with regard to the bill.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The bill will be received and appropriately referred; and, without objection, the bill, letter, and explanation will be printed in the RECORD.

The bill (S. 1008) to promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a Public Affairs Officer Corps, introduced by Mr. FULBRIGHT (by request), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That there is hereby established a category of officers of the United States Information Agency to be known as Public Affairs officers who shall, except as hereinafter provided, be subject to the provisions of the Foreign Service Act of 1946, as heretofore or hereafter amended (hereinafter referred to as the Foreign Service Act), and any other provisions of law which are or may become applicable to Foreign Service officers: *Provided,* That no person shall be eligible for appointment as a Public Affairs officer unless he meets standards and has passed examinations equivalent to those required for appointment as a Foreign Service officer under the Foreign Service Act: *Provided further,* That not more than 700 persons who have not served as Public Affairs officers in class 8 may be appointed as Public Affairs officers to classes 1 to 7, inclusive.

SEC. 2. Such authority as is or may become available by statute to the Secretary of State with respect to Foreign Service officers shall be available on the same basis to the Director of the United States Information Agency (hereinafter referred to as the Director) with respect to Public Affairs officers, except as otherwise provided in this Act.

SEC. 3. The following sections of the Foreign Service Act or portions thereof shall not apply to Public Affairs officers: 201 (Director General of the Foreign Service), 211 (a) (Board of the Foreign Service), 401(1) (chiefs of mission), 411 (chiefs of mission), the first three sentences of section 412 (classes of career ambassador and career minister), 421-422 (officers temporarily in charge), 431 (chiefs of mission), the last sentence of section 443 (designation of hardship posts), 501-502 (principal diplomatic representatives), the second and third sentences of section 517 (lateral entry), 518-519 (career ambassadors, career ministers, and chiefs of mission), 571(b) (eligibility of Foreign Service officers to serve as Director General), and section 631 (retirement of career ambassadors and career ministers).

SEC. 4. (a) There are hereby established in the United States Information Agency (1) a Board composed of two senior officers of the Agency designated by the Director, and two senior officers of the Department of State designated by the Secretary of State, one of whom shall be designated Chairman by the Director, and (2) a Board of Examiners similarly composed and constituted, which Boards shall carry out with respect to Public Affairs officers of the Agency the functions vested by the Foreign Service Act in the Board of the Foreign Service and the Board of Examiners for the Foreign Service, respectively.

(b) Examining panels and selection boards established for the purposes of appointment and promotion of Public Affairs officers shall include an equal number of representatives of the Agency and of the Department of State, respectively.

(c) The Director shall obtain the concurrence of the Secretary of State with respect to recommendations made to the President for the appointment and promotion of Public Affairs officers.

SEC. 5. (a) The Secretary of State may, upon request of the Director, recommend to the President that Public Affairs officers be commissioned as diplomatic or consular officers, or both, in accordance with section 512 of the Foreign Service Act.

(b) The Secretary of State may, upon request of the Director, assign Public Affairs officers, commissioned as diplomatic or consular officers, to serve under such commissions in accordance with sections 512 and 514 of the Foreign Service Act.

SEC. 6. The Director shall establish and administer an independent retirement and disability system for Public Affairs officers in accordance with the provisions of the Foreign Service Act.

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Sec. 7. Regulations prescribed by the Director with respect to appointments, promotions, assignments, separations, and the general administration of the Public Affairs officer personnel system, shall at all times be compatible with, and to the extent practicable, similar to those applicable to the Foreign Service officers.

Sec. 8. Nothing in this legislation shall be construed to authorize the Director to establish a Foreign Service Institute as provided in title VII of the Foreign Service Act.

The letter and explanation presented by Mr. FULBRIGHT are as follows:

U.S. INFORMATION AGENCY,
Washington, January 30, 1959.

The VICE PRESIDENT,
U.S. Senate.

DEAR MR. VICE PRESIDENT: I have the honor to transmit to the Congress a draft bill "to promote the foreign policy of the United States by strengthening and improving the Foreign Service personnel system of the U.S. Information Agency through establishment of a Public Affairs Officer Corps," which provides authority for the Agency to establish a career service for its Foreign Service personnel. Also enclosed is a detailed explanation of the bill, together with estimates of increased cost.

The Agency has unfortunately not had sufficient authority for this purpose since its creation in 1953, although proposals to establish a career service for Foreign Service personnel were submitted to both the 84th Congress and the 85th Congress. The most recent of these proposals, together with certain other amendments to the U.S. Information and Educational Exchange Act of 1948 proposed by the Agency and by the Department of State, was submitted to Congress in 1957 and subsequently was introduced in the Senate as S. 1583 (see pp. 7-10 of the bill). On the House side, the same career service proposal was substantially revised by the Subcommittee on State Department Organization and Foreign Operations of the House Committee on Foreign Affairs, and as thus revised was introduced, together with other Agency-proposed provisions, as H.R. 8081 (see pp. 2-6 of the bill). No further action was taken on either S. 1583 or H.R. 8081 during the 85th Congress.

The enclosed career service proposal is substantially the same as that submitted to the Congress in 1957, but includes certain changes embodied in H.R. 8081 which provide for equal representation by officers of the State Department and of the Agency on certain boards and panels. We believe that these changes represent improvements, and that they will tend to promote uniformity in the procedures of the Agency and of the Department of State with respect to the Foreign Service personnel of each.

This bill is not submitted as an amendment to the U.S. Information and Educational Exchange Act of 1948; as was the case in the past, but is proposed as entirely separate and independent legislation. There appears to be no logical reason for attaching a proposal authorizing a career Foreign Service personnel system to an act which is concerned with authority for the conduct of program activities in the fields of overseas information and international education exchange.

The Bureau of the Budget has advised that there is no objection to the presentation of this bill and explanation to the Congress.

Sincerely,

GEORGE V. ALLEN,
Director.

EXPLANATION OF PROPOSED BILL AND ESTIMATE
OF INCREASED ANNUAL COST

GENERAL

The proposed legislation is designed to provide the statutory basis for an improved Foreign Service personnel system for the U.S.

Information Agency. It provides authority for a career category of officers to be known as public affairs officers paralleling the Foreign Service officers corps of the Department of State. In general, the proposed legislation will place the foreign service of the Agency on a basis equivalent with that of the Department of State and subject to the same statutory requirements and limitations.

The legislative proposals, if enacted into law, will meet a need that was foreseen by the President at the time of establishment of the Agency in 1953 by Reorganization Plan No. 8. At that time the President recognized that the limited personnel authorities granted to the new Agency under Reorganization Plan No. 8 and implementing executive orders were not adequate. In his message to the Congress transmitting the reorganization plan, the President said:

"While these [personnel] arrangements will enable the new Agency to function with reasonable effectiveness from the outset, I do not consider them permanently suitable."

The present proposal will for the first time give the Agency the personnel authorities necessary to establish its Foreign Service personnel system on a career basis. The limited personnel authorities now available to the Agency under Reorganization Plan No. 8 are totally inadequate to provide a career service for its professional officers.

Section 1: The new category of officers to be established by the legislation will be known as Public Affairs officers. They will be required to pass examinations and to meet qualifications and standards for appointment equivalent to those required for Foreign Service officers of the Department of State under the Foreign Service Act.

This section also provides that not more than 700 persons who have not served as Public Affairs officer in class 8 may be appointed as Public Affairs officer to classes 1 through 7. The Agency now has approximately 1,000 officers who are either Foreign Service Reserve officers, classes 1-7, or Foreign Service staff officers in equivalent grades. These officers will be invited to apply and required to meet standards and pass examinations of the same nature as those required for lateral entry into the Foreign Service officers corps of the Department of State. The Agency will select those officers who meet these strict requirements and who possess the best qualifications and the broad experience desired for its Public Affairs officers.

The exact number of present staff and Reserve officers who will apply for admission and who will pass the strict qualification requirements for appointment cannot be determined in advance. It is the Agency's best judgment that 700 to 800 of its present officers will meet the requirements and standards equivalent to those established by the Department of State for entrance into the Foreign Service officers corps. The agency, therefore, regards the proposed limitation of 700 appointments of Public Affairs officers to classes 1 through 7 as an interim control to assure observance of the highest standards in selection, but anticipates that it may be necessary to request an adjustment in this figure. If, as the number of lateral appointments of fully qualified officers approaches the figure of 700, the Agency can demonstrate that there are additional equally well qualified officers who cannot be appointed solely because of the limitation, the Agency will request the Congress for an appropriate increase in the limitation. The agency would take such action only if it is fully justified by experience and the record of achievement under the new legislation.

Plans for the Public Affairs officer corps will provide for appointment of junior officers at class 8. The Agency proposes that these junior officer appointments should not be charged against the limitation of 700 appointments to classes 1 through 7, since the

Agency desires to provide a continuing source of highly qualified young officers for the Public Affairs officer corps through appointments at the entrance class. For the past several fiscal years, the Agency has appointed approximately 30 junior officers a year. The Agency would continue to appoint approximately 30 junior officers a year for the next several fiscal years if the proposed legislation were enacted.

Section 2: This section provides that the same authority which is or will be available by statute to the Secretary of State with respect to Foreign Service officers of the Department is available to the Director, USIA, with respect to Public Affairs officers, except as provided in succeeding sections of the new legislation. (The Director also retains, of course, the authority made available to him by the President with respect to Foreign Service Reserve officers, Foreign Service Staff officers and employees, and alien clerks and employees, under Executive orders implementing Reorganization Plan No. 8.)

Section 3: Certain provisions of the Foreign Service Act applicable to Foreign Service officers of the Department are not pertinent to Public Affairs officers. This section specifies the authorities of the act available to the Secretary of State, which are not available to the Director, USIA, with respect to Public Affairs officers. These include various provisions of the act which pertain, for example, to the Director General of the Foreign Service, chiefs of mission, career ambassadors, and career ministers and officers temporarily in charge of posts. The authority to designate hardship posts, vested by the Act in the Secretary of State, is also not available to the Director. The section of the act which specifies the membership of the Board of the Foreign Service of the Department of State is made inapplicable, since the membership of the Agency Board, is covered separately by section 4 of the proposed legislation. The limitations on the number of lateral appointments to the Foreign Service Officers Corps at classes 1 through 7 are also not applicable to lateral appointments to the Public Affairs Officers Corps at those classes, since section 1 of the proposed legislation places a limit of 700 on lateral appointments of Public Affairs officers at classes 1 through 7.

Section 4: Two boards are established to perform with respect to the Agency's Public Affairs officers the functions vested by the Foreign Service Act in the Board of the Foreign Service and Board of Examiners for the Foreign Service. Each USIA board will be composed of two senior officers of the Agency and two senior officers of the Department. Examining panels and selection boards will also include an equal number of representatives of the Agency and the Department.

The direct participation of Department representatives will enable the Agency to benefit from the Department's long administration of a career officer system. It is believed that this participation will assure substantial uniformity between the two personnel systems, including such important aspects as examinations of personnel and standards for their selection and promotion.

Subsection (c) of this section also requires that the Director obtain the concurrence of the Secretary of State with respect to the Director's recommendations to the President for the appointment and promotion of Public Affairs officers. This requirement offers further assurance of uniformity between the Department and the Agency with regard to personnel administration.

Section 5: This section provides that the Director, when he considers it necessary to carry out the Agency's functions, may request the Secretary of State to recommend to the President that Public Affairs officers be commissioned to serve in a diplomatic or con-

salar capacity. In this way, the Secretary of State retains responsibility for commissioning Agency personnel and for their assignment under such commissions in diplomatic or consular capacities. The Director retains authority over the assignment and transfer of Public Affairs officers in other than diplomatic or consular capacities.

These are the same procedures now followed in commissioning and assigning Foreign Service reserve and Foreign Service staff officers of the Agency. No change in present arrangements is contemplated.

Section 6: Under this section the Director will establish and administer an independent retirement fund and system, pursuant to the provisions of title VIII of the Foreign Service Act, which creates a retirement system for Foreign Service officers. In setting up this system, the Agency will be guided by the experience of the Department of State and will follow to the greatest possible extent the regulations of the Department relating to its retirement system.

Section 7: As provided by this section, the Agency will take advantage of the experience of the Department in the administration of the Foreign Service officer corps and will pattern its regulations after those of the Department. Through the joint boards established under section 4 the Agency will maintain close coordination with the Department in regard to such matters as policies and procedures with respect to appointments, promotions, assignments, and separations. The Agency will continue to be bound by governmentwide regulations relating to allowances issued by the Department.

Section 8: Title VII of the Foreign Service Act is concerned with the establishment and operation of the Foreign Service Institute and with the general training and development of the personnel of the Foreign Service. This section makes it clear that the Agency will not have authority to establish an independent Foreign Service Institute to parallel that of the Department of State. The Agency will continue to make use of the facilities of the Foreign Service Institute of the Department under appropriate financial arrangements and will utilize those provisions of title VII which provide authority for the training and development of Foreign Service officers, in training and developing its public affairs officers. The provisions of title VII, which provide authority for the training and development of Foreign Service reserve and Foreign Service staff officers, will continue to be available to the Agency under Reorganization Plan No. 8 and Executive Order 10477.

Estimate of increased annual cost, \$125,000.

PROPOSED LEGISLATION RELATING TO SMALL BUSINESS TAXATION

Mr. SPARKMAN. Mr. President, during the 85th Congress the Senate Small Business Committee conducted a thorough study of the tax problems of small business. After extensive hearings, members of the committee introduced an omnibus small business tax adjustment bill.

Our bill provided the basis for much of the tax relief granted to small business by the Small Business Tax Revision Act of 1958. That act will, in my opinion, be very helpful to small business. However, it did only part of the job.

To give the Congress an opportunity to remove additional severe tax inequities toward small business, I am introducing separate bills that are directly related to four omnibus-bill provisions that were not written into law last year.

On January 9 I introduced S. 59, a bill that would permit small firms a

deduction from taxable income for earnings plowed back into the business. This followed the principle of section 2 of last year's bill, but was not identical to it.

Today I am introducing three additional bills which are identical to sections 3, 5, and 8 in S. 3194 of the 85th Congress.

For myself, Senator HUMPHREY, Senator MORSE, Senator BIBLE, Senator RANDOLPH, Senator JAVITS, Senator JACKSON, and Senator YARBOROUGH, I introduce a bill written to eliminate one of the most severe areas of discrimination in the existing Federal tax structure. Under section 401 of the 1954 Internal Revenue Code, persons who are members of qualified pension, profit sharing, or stock bonus plans get great tax advantages in providing for retirement. They do not have to report as income funds placed in the plans by their company employer and treated by the company as a current expense. Only a small proportion of taxpayers and employees are favored with such treatment, and all other persons are at a substantial disadvantage in planning for their retirement.

The bill which I now introduce will extend an equal tax advantage to all taxpayers. It would permit all wage earners, employers, and self-employed persons not included in a section 401 plan to set up voluntary individual retirement programs by investing the lesser of 10 percent of taxable income or \$1,000 in restricted bank accounts or insurance policies.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1009) to amend the Internal Revenue Code of 1954 so as to encourage the establishment of voluntary retirement plans by individuals, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. SPARKMAN. Mr. President, my next bill is concerned with depreciation. There is no area of tax administration which has received so much criticism as depreciation policy. It is an area which probably can never be completely freed from ambiguity and inequity, but there is one discriminatory feature which can be removed to the benefit of the whole system.

In 1954, Congress, permitted purchasers of new property to adopt alternative depreciation methods that permitted more rapid recovery of asset cost in the years immediately following purchase. The use of the new methods was denied to purchasers of secondhand or used property. Because small concerns are the major purchasers and users of secondhand equipment, they were the unintended victims of discrimination when the 1954 election was given to buyers of new property.

We believe that this privilege should be extended also to purchases of used equipment. Needless to say, most of these purchasers are small-business men.

For myself, Senator HUMPHREY, Senator SMATHERS, Senator MORSE, Senator BIBLE, Senator RANDOLPH, Senator JAVITS, Senator JACKSON, and Senator

YARBOROUGH, I now introduce a bill which will extend the alternative methods of depreciation to purchasers of secondhand equipment. This would eliminate a most unfair discrimination against small business users of secondhand property.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1010) to amend the Internal Revenue Code of 1954 so as to permit the use of the new methods and rates of depreciation for used property, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. SPARKMAN. Mr. President, my final bill in this series of four would compel the Treasury to accept the decisions of Federal Courts in tax matters or take an appeal. Now Treasury may nonacquiesce or formally disagree with a decision and force other taxpayers to refile old battles under the jurisdiction of different courts.

In past years, inconsistent interpretations of the Internal Revenue Code, resulting from the nonacquiescence of the Treasury in judicial rulings, have worked a great hardship on small business. In many cases involving small firms, the tax liability is relatively small, and, often, not worth the heavy expense of litigation. Taxpayers in such cases find it difficult to understand why the Treasury continues to press a position in defiance of a contrary ruling by the Tax Court or a United States Court of Appeals.

For myself, Senator HUMPHREY, Senator MORSE, Senator BIBLE, Senator RANDOLPH, Senator JACKSON, and Senator YARBOROUGH, I introduce an amendment to the Internal Revenue Code to compel acquiescence by the Treasury in judicial determinations of the Tax Court and the United States Courts of Appeals. Under this bill the Treasury would be protected by its right of appeal, and the taxpayers—both the one in litigation and others involved with the same question—would gain the advantage of finality and uniformity of treatment.

Mr. President, I cannot stress too emphatically that small business is in grave danger of becoming one of the unintended victims of our economic progress. Our admiration of bigness has almost become a national fetish. We tend to forget that our largest corporations, which today are household words, were at one time very small businesses indeed. Today growth is the key to business success. To stand still is to perish. One way to assure that our smaller companies can expand with the times is to make it possible for them to buy modern equipment, to modernize their factories and stores. Mr. President, they need money to do this and the best way to find this money is to be able to save a part of their profits to plow back into their businesses.

S. 59, which I introduced on January 9, provides for a tax allowance on a certain part of profits which are reinvested in the business. The bills which I have introduced today are further steps toward making it possible for our smaller

companies to take advantage of much the same tax benefits which our largest companies enjoy.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1011) to designate judicial precedents which shall be binding in the administration and enforcement of the internal revenue laws, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. SPARKMAN. Mr. President, since I am sure that many Senators share these views, I ask unanimous consent that each of the three bills that I have just introduced be on the table 1 week for additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX ADJUSTMENT PROGRAM FOR SMALL BUSINESS—ADDITIONAL COSPONSOR OF BILL

Mr. SPARKMAN. Mr. President, in connection with the bill (S. 59) to provide a program of tax adjustment for small business and for persons engaged in small business, which I introduced on January 9, 1959, on behalf of myself and other Senators, I ask unanimous consent that the next printing or at the first opportunity, the name of the Senator from Florida [Mr. SMATHERS] be added as an additional cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTRIBUTION BY STATE GOVERNMENTS TO COST OF FEED OR SEED FURNISHED FARMERS IN DISASTER AREAS

Mr. WILLIAMS of Delaware. Mr. President, I introduce, for appropriate reference, a bill the purpose of which is to require that in all emergency relief programs, such as drought relief, and so forth, underwritten by the Federal Government there shall be a minimum of 25 percent State or local participation.

Under the existing law the Federal Government is underwriting all of the cost of these emergency relief programs with the result that there is little incentive on the part of the State and local communities to supervise the distribution and to insure that the relief goes to those for whom it is intended.

It has been disclosed that under this program with non-State participation, millionaire ranchers, owners of race horses, and other unqualified types of operations have been declared eligible for relief payments.

For instance, the fabulous Kings Ranch received several thousand dollars in relief with no objections being raised by the State administrators, presumably on the assumption that the Federal Government was assuming the cost anyway.

In another instance the owner of the racehorse Swaps even while his horse was winning the Belmont Sweepstakes was applying for and receiving relief payments.

One self-styled rancher with only a polo pony and a bird dog was drawing relief to feed his livestock.

Recognizing these abuses the administration in previous years strongly recommended this legislation but no action was taken.

This proposal should be enacted by Congress now. At the present time these programs are not being utilized; therefore, it would be much easier to make this correction now and be ready for a future situation should another emergency develop.

The outlining of a definite formula of State participation would put the State legislatures on notice as to the rules under which they could participate.

In the President's message to the Congress this year he again strongly recommended this proposal as being necessary from the standpoint of good administration as well as being a step toward turning back to the States those functions which can be best administered at local levels.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1013) to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas, and for other purposes, introduced by Mr. WILLIAMS of Delaware, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

SCHOOL CONSTRUCTION ASSISTANCE ACT OF 1959 AND COLLEGE FACILITIES ACT OF 1959

Mr. MORTON. Mr. President, on behalf of the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Vermont [Mr. PROUTY], I introduce, for appropriate reference, two bills entitled "School Construction Assistance Act of 1959" and "College Facilities Act of 1959."

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. MORTON (for Mr. SALTONSTALL and Mr. PROUTY), were received, read twice by their titles, and referred to the Committee on Labor and Public Welfare, as follows:

S. 1016. A bill to authorize a 5-year program of assistance to school districts in meeting the debt service on loans for construction of urgently needed elementary or secondary public school facilities, and for other purposes; and

S. 1017. A bill to assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities.

Mr. MORTON. Mr. President, I ask unanimous consent that the bills lie on the desk through February 19 for the benefit of any Senators who may wish to become cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORTON. I also ask unanimous consent to have printed in the Record at this point as a part of my remarks a letter from Mr. Arthur S. Flemming, Secretary of Health, Education, and Wel-

fare, and a statement by the Senator from Massachusetts [Mr. SALTONSTALL].

There being no objection, the letter and statement were ordered to be printed in the Record, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,

Washington, D.C., February 9, 1959.

HON. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: I enclose for your consideration two legislative proposals designed to strengthen American education in areas of recognized need.

One would assist States to overcome the persistent shortage of public elementary and secondary schools by making it possible for them to initiate up to \$3 billion worth of construction, during the next 5 years, in communities which lack the resources to finance their own classroom needs.

The other, over the same period, would make it possible for institutions of higher education to accelerate construction of up to \$2 billion worth of facilities which will be needed in the years immediately ahead to provide for the ever-increasing numbers of youth reaching college age.

Under the elementary and secondary school construction program, maximum annual Federal payments would be \$85 million, and the aggregate potential cost would be about \$2 billion over approximately 25 years. Under the higher education construction program, maximum annual payments would be \$25 million for debt retirement assistance, and the aggregate Federal cost would be \$500 million, payable over a 25-year period.

Our educational system is vitally related to the national strength and security. As we apply ourselves to the causes of security and peace, we must seek to develop our human resources to the fullest extent. We must make available for all our children and young people equal educational opportunities to realize their highest potential.

As a Nation, we must be willing to make the sacrifices which will be necessary to achieve these goals. We must redouble our efforts for adequate classroom facilities, improved quality of instruction, better status and salaries for teachers, and broadened support of education from the States, local governments, and private agencies.

Among our most critical educational problems, the one most readily resolved by vigorous action is the continuing shortage of adequate public schools and classrooms. There is no State in which this shortage is not felt in some degree. Adequate facilities for the education of our children must be provided in every State and every local school district.

In recent years, thousands of communities throughout the country have made strenuous efforts to meet their needs. Most of them are finding the means to eliminate their school construction backlogs and keep pace with expanding enrollments. Nevertheless, the nature and extent of the problem in many communities is such that they simply cannot meet their classroom needs from their own resources.

The population growth which has placed such a burden on our elementary and secondary schools is only beginning to make its impact felt in our institutions of higher education. Unless they greatly increase their current rate of construction and enlarge their capacity to absorb the oncoming wave of youths reaching college age, they will have to close their doors to many able young men and women in the years immediately ahead. Yet, many of these institutions do not have resources available for financing, without borrowing, the expansion of academic and housing facilities which must be begun now in order to meet the needs of the next decade. They are reluctant to add the burden of large scale indebtedness to the already heavy

TRANSMITTAL SLIP		DATE
TO: Mr. Warner		2/23/58
ROOM NO.	BUILDING	
REMARKS: Believe you will find this bill most interesting particularly as it bears on our conversations last year re adopting certain provisions of		
FROM: JHB (our)		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

The Foreign Service
Act (retirement) for
CIA "intelligence
staff officers. ^{25X1A}
~~Real~~ ^{25X1A} that [redacted]
[redacted] drafted same.
Legislation for
Personnel's thinking
I have sent a
copy of this to
Personnel. JLB